BOB F. ANDERSON, PE, INC.

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January 2, 2002

Honorable Philip N. Asprodites, Commissioner of Conservation Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Hill Sand and the Hill Zone, Reservoir B Ada Field Webster Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of KEY PRODUCTION COMPANY, (Applicant), of their intent to file an application to the Commissioner of Conservation for a public hearing to consider evidence relative to the issuance of an Order pertaining to the following matters relating to the Hill Sand and the Hill Zone, Reservoir B, Ada Field, Webster Parish, Louisiana:

FOR THE HILL SAND:

1. To dissolve and terminate the unit designated HILL SUMM containing 640 +/- acres created by Office of conservation Order No. 99-G, effective December 8, 1950, for the production of gas and condensate for the Hill Sand in the Ada Field, Webster Louisiana, such unit being shown on the attached plat and being made a part hereof.

FOR THE HILL ZONE, RESERVOIR B:

- 1. To simultaneously establish one (1) additional 640 +/- acre drilling and production unit for the exploration for and the production of gas and condensate for the Hill Zone, Reservoir B, in the Ada Field, Webster Parish, Louisiana, such unit being designated HILL RB SUG, such unit shown on the attached plat and being made a part hereof.
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property within the proposed unit in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract to share in the unit production on a surface acreage bases of participation.
- 3. To designate Key Production Company as the unit operator for the proposed HILL RB SUG and their Butler No. 1 Well as the unit well.

4. To extend the provisions of the 99-G-12 Series of Office of Conservation Orders and other applicable statewide orders to the units being proposed herein.

FOR BOTH, THE HILL SAND AND HILL ZONE, RESERVOIR B:

1. To consider and cover such other matters as the Commissioner of Conservation may deem pertinent and appropriate.

The Hill Sand, Ada Field, Webster Parish, Louisiana, was defined in Office of Conservation Order No. 99-G, effective December 8, 1950.

The Hill Zone, Reservoir B, Ada Field, Webster Parish, Louisiana, was defined in Office of Conservation Order No. 99-G-12, effective August 29, 1995.

The pertinent data pertaining to this application is available for inspection at the Offices of Bob F. Anderson, PE, Inc., 400 Travis Street, Suite 209, Shreveport, Louisiana 71101. Any person wishing to inspect such data should call Bob Anderson 318/425-4230 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data that is otherwise not available from the Office of Conservation can be obtained at the expense of the requesting party.

No request for a conference to discuss the application was received, therefore no conference was held.

Pursuant to the revised Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Interested Parties and Represented Parties to whom this notice of this intended application is being sent. A copy of this letter and the attached plat is being sent to the District Manager of the Shreveport District Office of Conservation and to the Interested Owners, Represented Parties and the Interested Parties as shown on the attached list.

Attached hereto is our check, made payable to the Office of Conservation, to cover the applicable hearing fee.

Yours truly, 37 And

B. F. Anderson, PE for

KEY PRODUCTION COMPANY

cc: Mr. James Broussard, District Manager Shreveport District Office of Conservation Interested Owners, Represented Parties and Interested Parties Key Production Company

